

HOUSE BILL REPORT

HB 1308

As Reported by House Committee On:
Commerce & Labor

Title: An act relating to providing additional funding to the prevailing wage program of the department of labor and industries by discontinuing the transfer of moneys from the public works administration account to the general fund-state account.

Brief Description: Providing additional funding to the prevailing wage program of the Department of Labor and Industries by discontinuing the transfer of moneys from the Public Works Administration Account to the General Fund-State Account.

Sponsors: Representatives Conway, Hudgins, Condotta, Wood, Simpson, Moeller, Sells and Chase; by request of Department of Labor & Industries.

Brief History:

Committee Activity:

Commerce & Labor: 1/26/05, 2/3/05 [DP].

<p>Brief Summary of Bill</p> <ul style="list-style-type: none">• Discontinues the quarterly transfer of 30 percent of the Public Works Administration Account to the General Fund.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 7 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Sump, Assistant Ranking Minority Member; Crouse, Hudgins and McCoy.

Staff: Jill Reinmuth (786-7134).

Background:

The state prevailing wage law requires prevailing wages to be paid to employees on public works construction projects. Public works contracts must contain a provision requiring the payment of prevailing wages.

The Department of Labor and Industries (Department) administers the prevailing wage law, including acting as the final arbitrator in prevailing wage disputes. The Department charges fees of contractors working on public works projects. Similarly, the Department charges fees of parties for arbitrating prevailing wage disputes.

The fees collected by the Department are deposited in the Public Works Administration Account. Each quarter, 30 percent of the funds in the account are transferred to the state General Fund. In fiscal year 2004, the amount transferred was approximately \$530,000. Appropriations from the account, other than the money transferred, may be used only for administration of the prevailing wage law. The transfer of General Fund revenue to a non-general fund account lowers the "601 limit."

Summary of Bill:

The quarterly transfer of 30 percent of the Public Works Administration Account to the General Fund is discontinued.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: This bill is necessary because there are insufficient funds and insufficient staff for the prevailing wage program to carry out legislative mandates. Over the years, the mandates have increased, but funding has not. The transportation budget contained new mandates for the program. The funding is necessary so that the program can do what the Legislature has asked it to do.

In 1991 business, labor, and government came together to request a dedicated account. Now business, labor, and government are together again to ask that 100 percent of the funds be dedicated to the program. These funds will enable the program to conduct more frequent surveys, develop more accurate scopes of work, provide education, ensure compliance, and process intents and affidavits in a timely manner.

Testimony Against: None.

Persons Testifying: Miriam Israel Moses, REBOUND; Rick Slunaker, Associated General Contractors; and Dave Johnson, Washington State Building and Construction Trades Council.

Persons Signed In To Testify But Not Testifying: None.